Finance & Property Services

March 5, 2013

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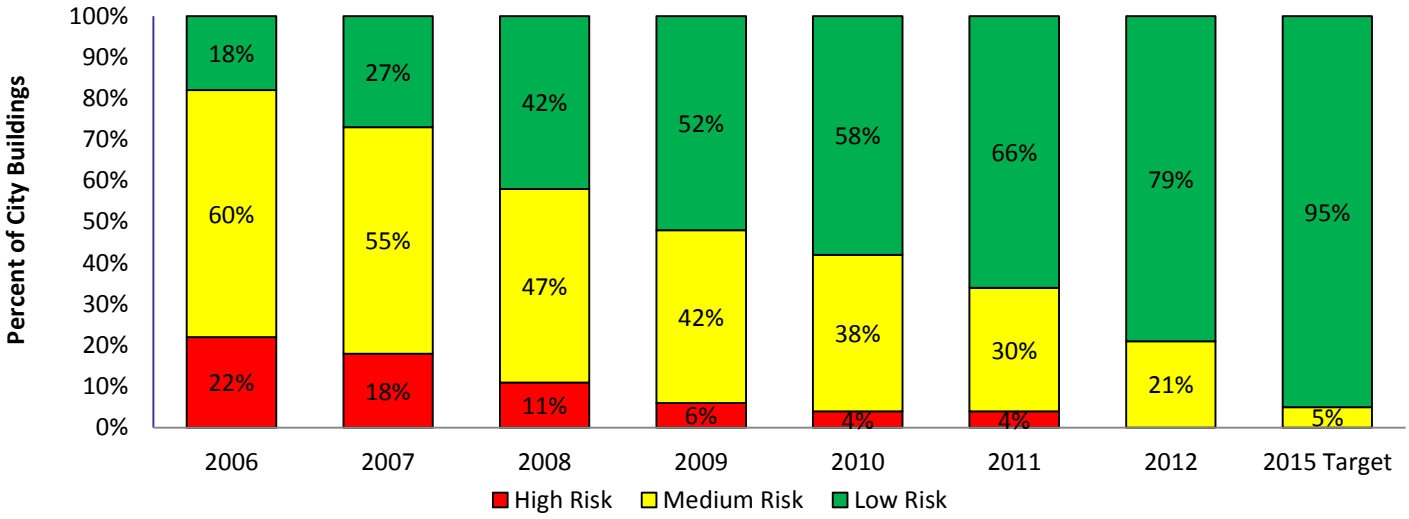
Finance & Property Services

Internal Processes

City Security Program Status of Building Security Improvements



High Security Risk	One or more major weaknesses have been identified that make the building assets highly susceptible to theft, damage or loss. The building overall has poor physical security safeguards in place.
Medium Security Risk	One or more weaknesses have been identified that make the building assets fairly susceptible to theft, loss or damage. The building overall has inadequate physical security safeguards in place; however notable progress is being made.
Low Security Risk	Little to no weaknesses exist, the building overall has an adequate level of physical security safeguards in place.

Why is this measure important?

Adequate safeguards must be in place to control and monitor both employee and public access to our buildings in order to effectively provide for the protection of city employees, their customers and city property/assets. This includes vulnerabilities to workplace violence, theft, vandalism, sabotage and acts of terrorism.

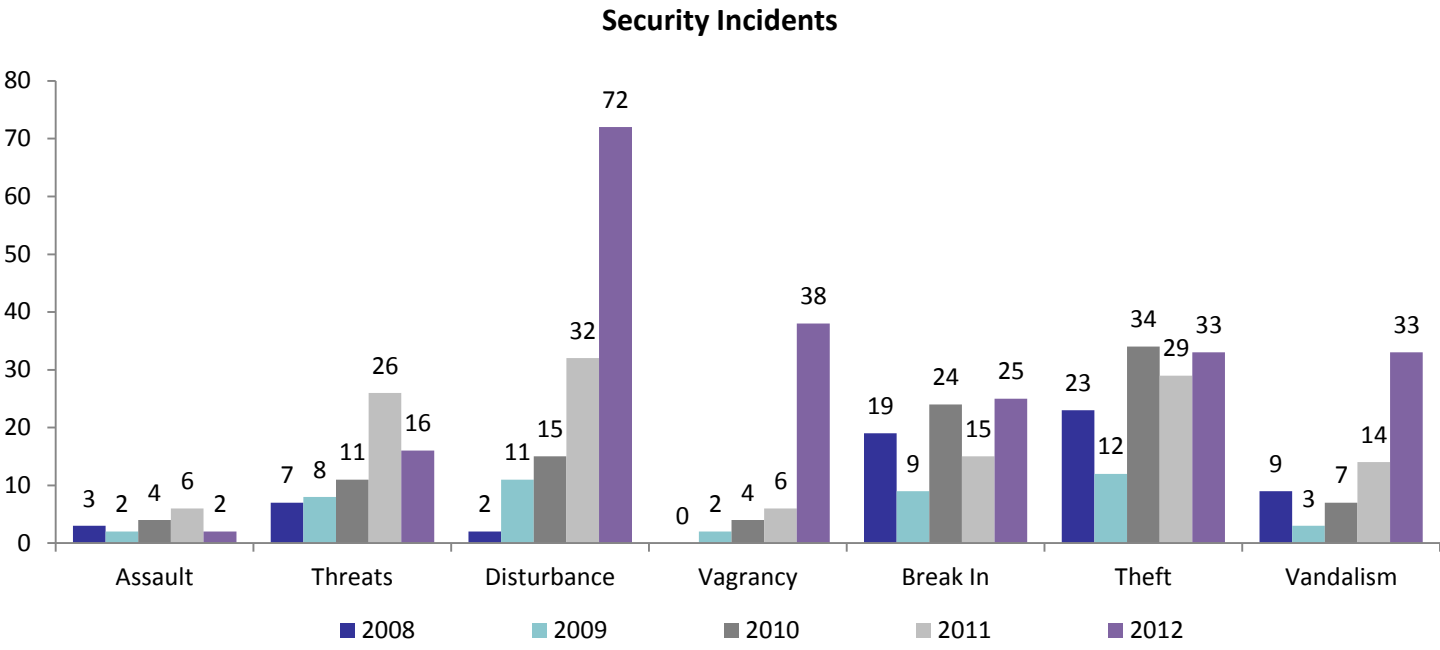
Physical security safeguards include; building security cameras, electronic access control and alarm systems allow us to achieve the necessary levels of security to help mitigate personal injury and property loss.

There were a total of 55 buildings assessed. The goal is to move the remaining twelve buildings from the medium risk category into the low risk category over the next three years and complete an updated vulnerability assessment for all city facilities.

What will it take to achieve the target?

In order to achieve this goal, approximately $850,000 in funding will be required. Available previous capital appropriations for security improvements have been exhausted completing projects to date. Additional capital funding will be needed in conjunction with department operating funds and federal grant dollars to pay for these improvements.

Industry best practices recommend vulnerability assessments be completed on a three year basis to identify new risks due to environmental or structural changes affecting facilities. A capital replacement plan needs to be established for the enterprise to maintain existing equipment and/or replace equipment at the end of its life cycle.



Why is this measure important?

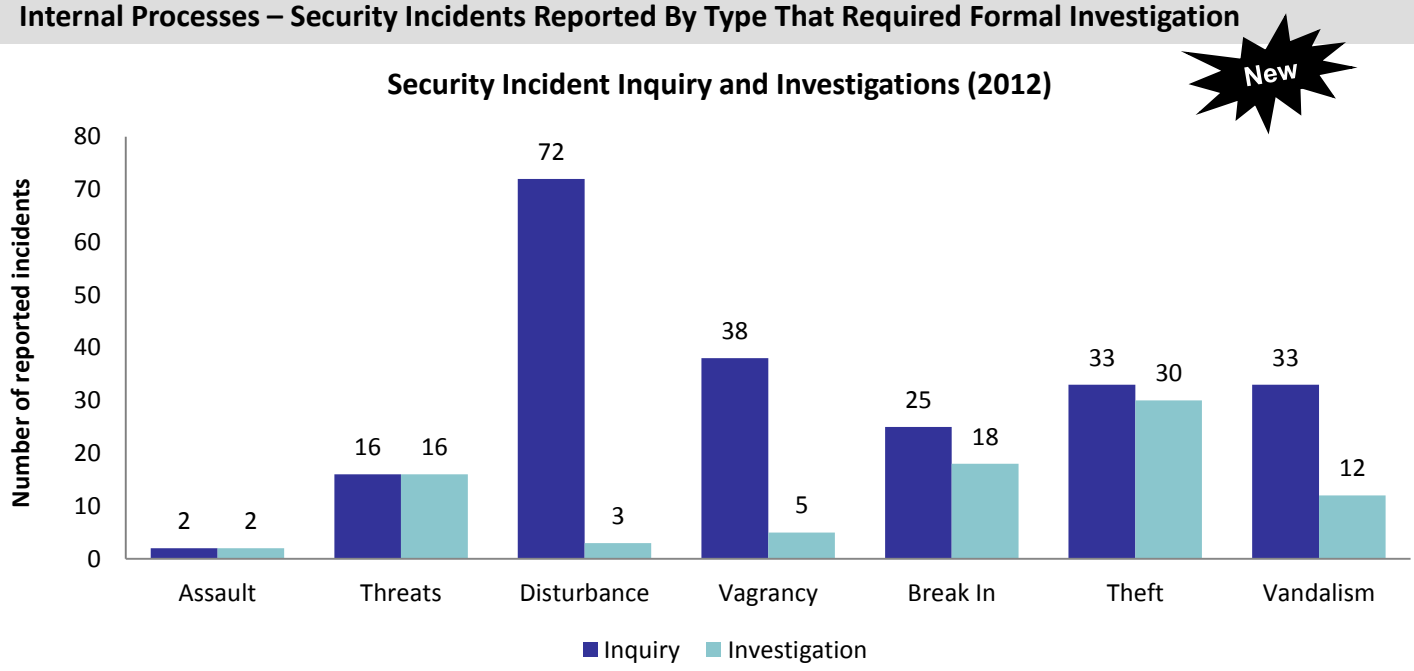
Security incident reporting is the basic method for collecting the data that provides information on the type, location and frequency of incidents occurring at City facilities. Comprehensive and consistent incident reporting serves to help mitigate risk of personal injury and property loss.

Incidents that are tracked include; Assault, Threats, Disruptive Behavior, Vagrancy, Break In, Theft and Vandalism. Incident trends allow staff to target resources such as training and physical security improvements that are site based to help mitigate personal injury and property loss.

The main goals are to improve the efficiency and thoroughness of the reporting processes that currently exist between City departments and increase the quality and frequency of reporting by employees.

What will it take to Improve?

On-going employee education and awareness training is needed to increase the quality and number of incidents reported by employees.



Why is this measure important?

This measure reflects the number of reported security incidents that were responded to in 2012 and the degree to which they were investigated. A response to an incident report ranges from a simple inquiry to extensive investigations conducted by Security staff, Human Resources staff and/or the Police.

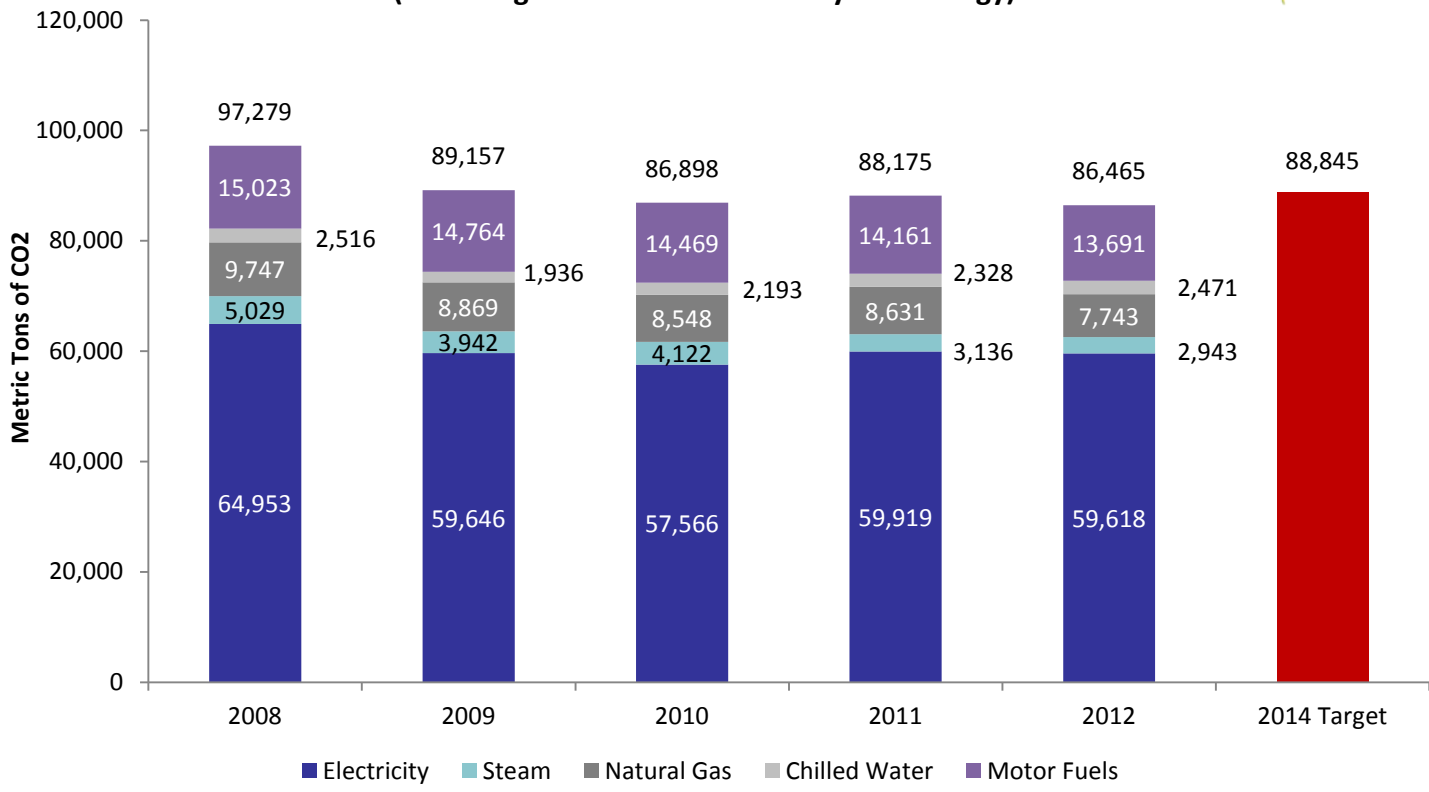
This measure demonstrates to employees that every report they file is important and will be responded to in a timely manner which encourages continued reporting of incidents by employees. In some cases thorough investigation provides closure to an on-going problem and discourages future criminal activity.

The main goals are to continue to improve the efficiency and thoroughness of the investigation process as an enterprise, focus our investigation efforts on those areas that present the highest risk to people and property such as Threats, Assault and Theft.

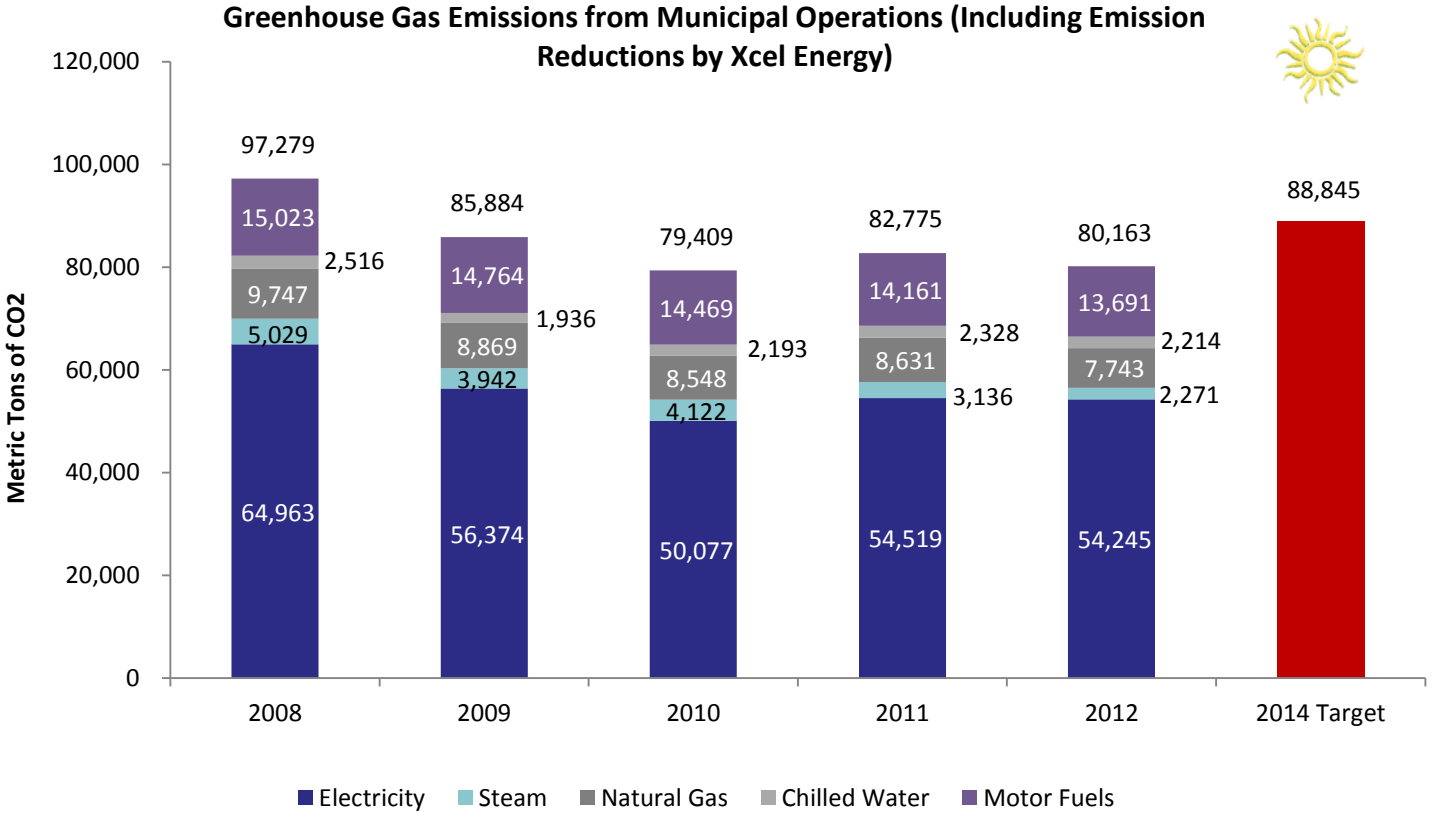
What will it take to achieve the goal measurement?

In order to achieve these goals we must continue to encourage incident reporting and improve our methods for collecting, sharing and analyzing incident report and investigation data by incorporating a "Team" approach that includes Department Managers, Security, and Human Resources staff and the Police.

Greenhouse Gas Emissions from Municipal Operations (Excluding Emission Reductions by Xcel Energy)



Greenhouse Gas Emissions from Municipal Operations (Including Emission Reductions by Xcel Energy)



Additional Narrative and Data on Next Page…

Why is this measure important?

Greenhouse gases created from using fossil fuels are the main cause of global warming. Greenhouse gases are measured in metric tons of carbon dioxide that is created when fossil fuels are used to generate electricity, heat buildings or operate motor vehicles. This measure captures all of the various types of energy that are used in municipal operations and calculates the amount of carbon dioxide that was emitted when each type was used. Beginning in 2007, the City of Minneapolis set a long term goal of 1.5 percent annual reduction in greenhouse gas emissions for its municipal operations.

What will it take to achieve the targets?

In the past four years, $1.86 million of Federal Stimulus funds have been spent on installing more efficient heating and ventilation equipment, retrofitting light fixtures to high efficiency fluorescents, and adding insulation in buildings owned by the City. These investments have significantly reduced energy usage in City owned facilities. Reductions in energy usage have also come from the no idling policy of City vehicles, new more fuel efficient vehicles and the implementation of a uniform temperature policy in City buildings. As can be seen in the bar charts, the City has already surpassed the 2014 goal for carbon footprint reduction.

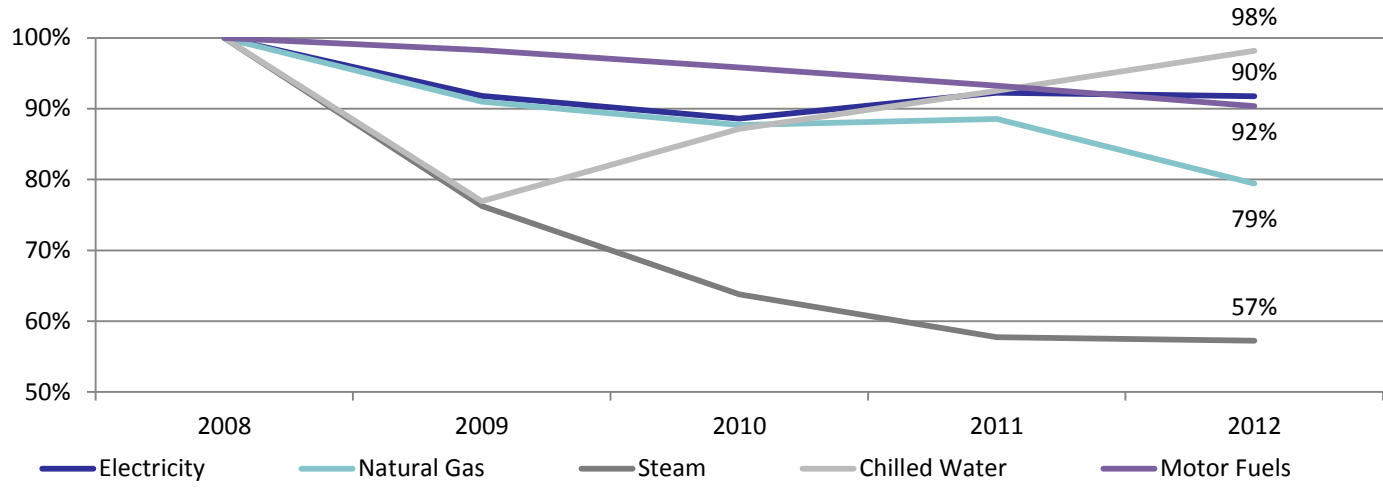
Each of these changes produces energy savings that accumulate over time. When compared to the City's energy usage patterns in 2008, these changes have saved the City over $6,000,000 in avoided energy costs. The table below outlines the savings by type of energy:

Energy Source	Total Costs Avoided 2009 - 2012	
Electricity	$	1,756,593
Natural Gas	$	596,122
Steam	$	1,839,558
Chilled Water	$	877,373
Motor Fuels	$	1,206,075
TOTAL AVOIDED COSTS	$	6,275,722

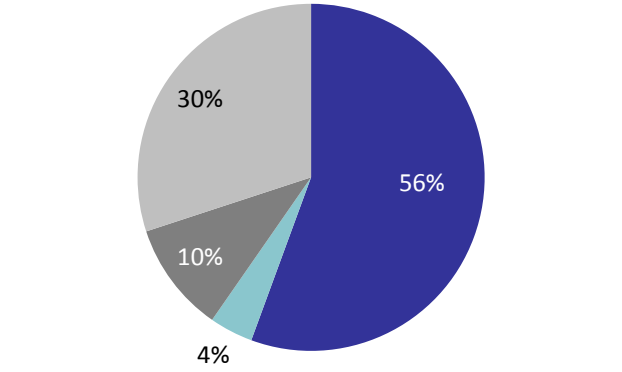
Further reductions in energy usage are possible. Electricity usage accounts for 66 percent of the greenhouse gases emitted by municipal operations. Since electricity is the largest component of the City's energy usage, it has the largest potential for future emissions reductions and cost savings. With over 80,000 street lights, 31 percent of the City's electricity usage goes to street lighting and signals. New lighting technologies, such as LED street lights, can cut lighting costs by 50 percent. As new LED lighting technologies emerge and drop in price, significant energy savings can be found in the near future by retrofitting existing street lights. The Water Treatment and Distribution function accounts for 38 percent of the City's electrical usage. In addition to retrofitting lighting systems, the Water Works division has improved its process efficiency in the past four years so that it now takes ten percent less electricity than it did in 2008 to produce and distribute every gallon of clean water.

Additional Data on Next Page…

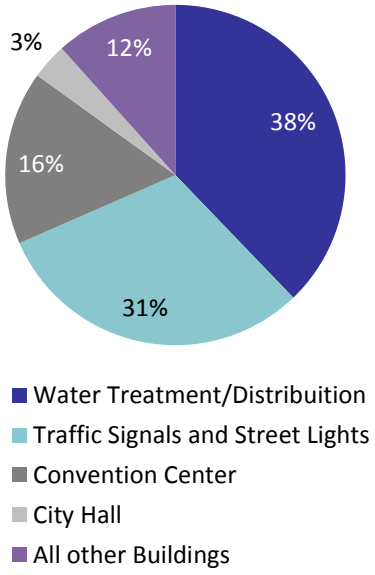
Change in Municipal Utility Usage 2008-2012



How Energy Dollars Are Spent by Municipal Operations



Electricity Usage by Municipal Operations



New

Convention Center Solar Photovoltaic Array		
System kWh Guarantee:	2011 Actual kWh	2012 Actual kWh
758,250	739,623*	768,180
Percent of nameplate production	97.5%	101.3%

*One of six inverters in the system was malfunctioning in January, resulting in less production; otherwise the 2011 figure would have been higher

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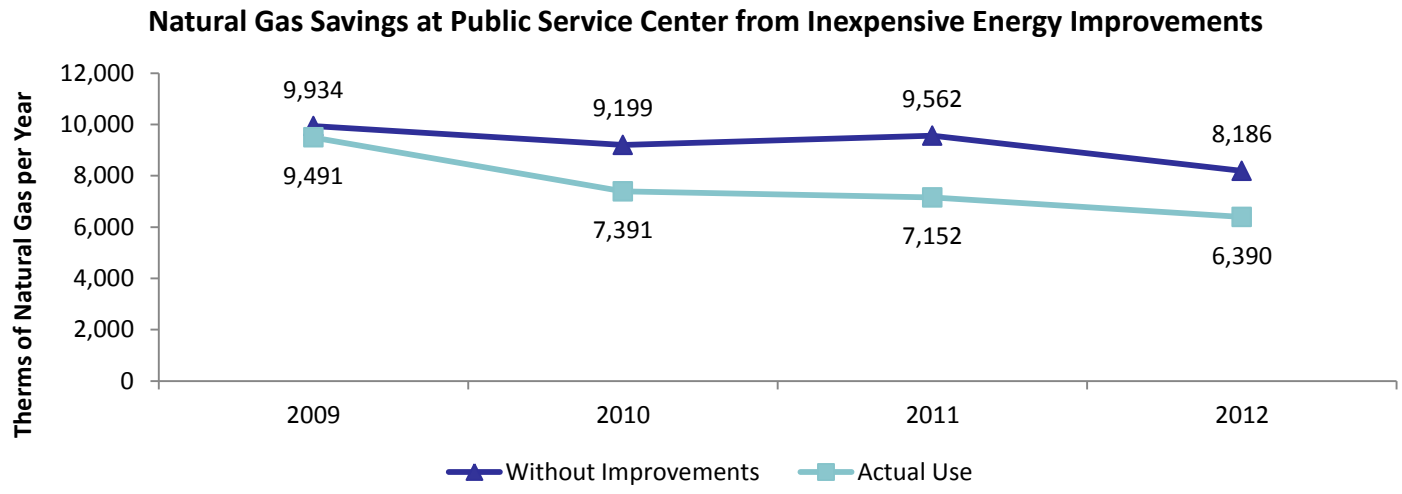
Why is this measure important?

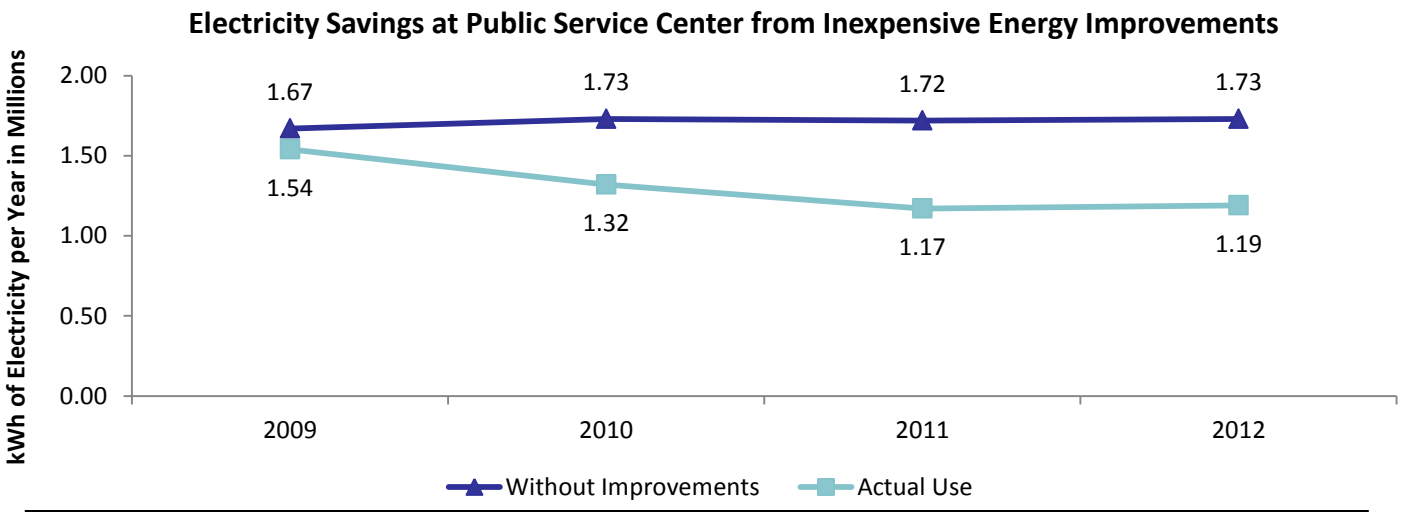
As part of the City's goal of reducing its greenhouse gas emissions by 1.5 percent each year, the City purchases solar electricity generated by the 601kW solar array on top of the Convention Center. The system is owned by Westwood Renewables in a long term development agreement with the City. The system was designed to provide 758,250 kWh each year for the Convention Center, reducing the building's greenhouse gas emissions by 382 metric tons annually.

What will it take to achieve the targets?

The solar electricity consumed at the Convention Center represents a 4.5 percent decrease in greenhouse gas emissions for the building. If the array is not operating properly, the amount of electricity generated from fossil fuels will need to increase. The previous table lists the guaranteed annual production values of the array and the electricity production in 2011 and 2012. The array is producing at or above the design level.

Additional Data & Narrative on Next Page…





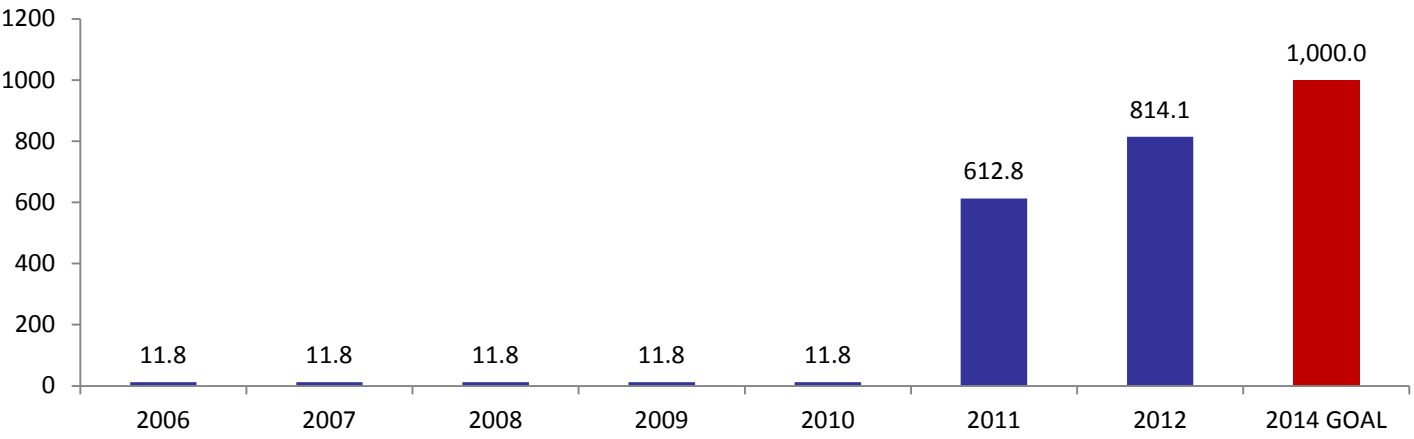
Why is this measure important?

The City has executed a variety of energy savings initiatives utilizing $2 million of Federal stimulus funds to retrofit its buildings to save energy. The Public Service Center is an example of an older building (built in 1957), that still operates with many of the original buildings systems and was not designed for energy efficiency. Long term plans for the building are uncertain so major system replacements were not contemplated. Many of the City's buildings are older structures and this measure looks at the return on the investment of retrofitting such facilities to save money and reduce greenhouse gas emissions.

What will it take to achieve the targets?

Smaller scale and simpler projects with good theoretical returns on investment were targeted. Lighting was upgraded with higher efficiency fluorescent lamps, and computerized electronic controls were added to the air handling system to make efficient use of outside air in heating and cooling the building. In addition, the City's Indoor Space Temperature policy was enacted at the end of 2009. In the two charts on page 9, the dark blue lines illustrate what the energy usage would have been each year if the improvements had not been made, and the light blue lines illustrate the actual usage. The savings each year is averaging $98,000 each year, well above the $73,000 cost of the improvements, providing a simple payback of less than one year on the investment in upgrades. This building is now eligible to be listed by the Federal EPA as an Energy Star building with a rating of 75.

kW of Solar Power Installed



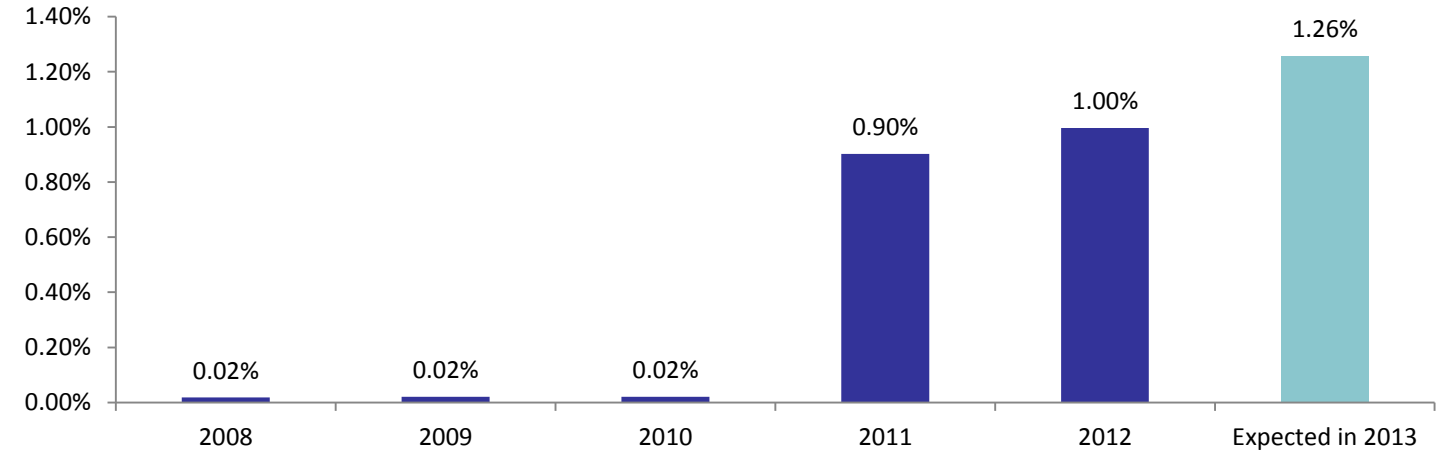
Why is this measure important?

Over the past six years, eight separate solar arrays have been placed on City owned facilities to assist the City in reducing its greenhouse gas emissions. The chart below illustrates the percentage of the total electricity usage by the City that is being supplied by these arrays. The large increase in 2011 was due to the 601kW array at the Minneapolis Convention Center. With the eight arrays, the City has installed 814kW of solar power. The goal is to have 1000kW installed by the end of 2014. When the goal is met, greenhouse gas emissions will be reduced by 650 metric tons each year. This represents a 0.7 percent reduction in total emissions each year.

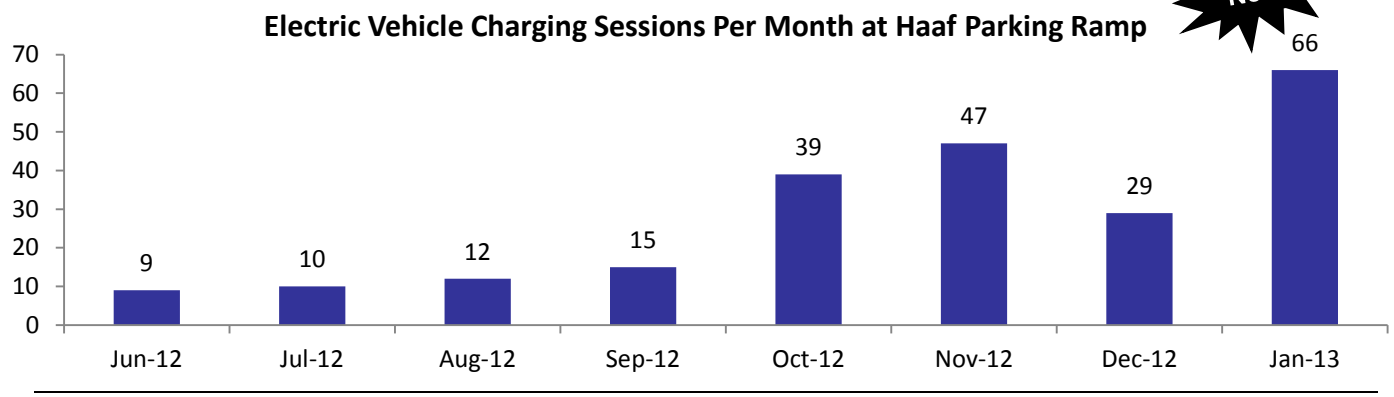
What will it take to achieve the targets?

To reach the 1000kW installation goal, an additional 186kW of solar arrays will need to be installed by the end of 2014. At current costs, this would require $700,000 of capital expense.

Solar Electricity as a Percentage of Total Municipal Electricity Usage



New



Why is this measure important?

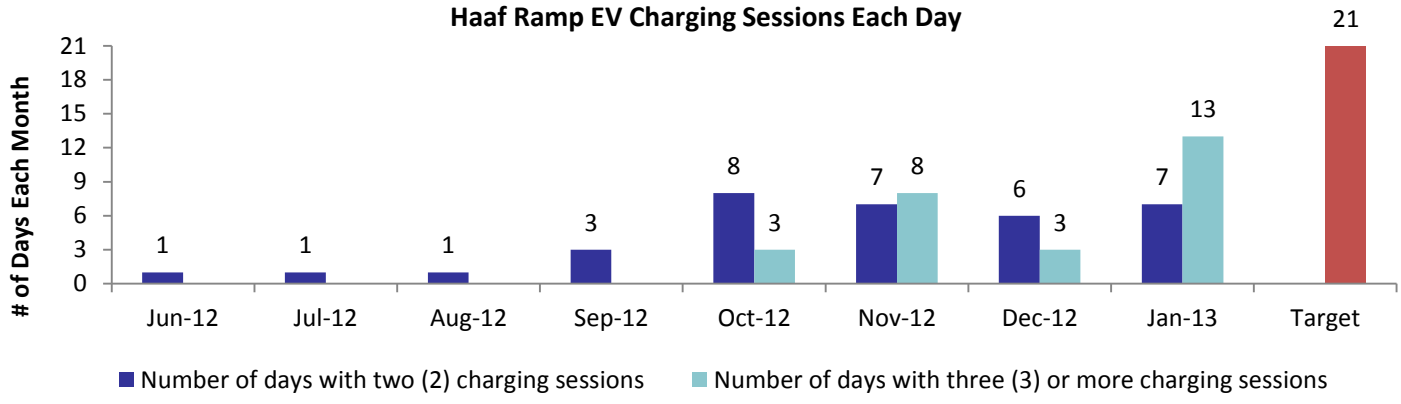
The City's first three electric vehicle charging stations were installed in the Haaf Parking Ramp in 2012 as a pilot project. The City is in the process of installing another 20-30 charging stations in 2013. As a new installation and relatively new initiative, it is important to track the usage and the potential effect on peak load energy management for the energy grid.

The electricity used in an electric vehicle produces one half of the carbon gas emissions of a gasoline vehicle getting 25mpg. Driving 12,000 miles per year, the total greenhouse gas produced at a power plant to run the electric vehicle would be 2.0 metric tons of CO_2. At the Haaf Ramp, the power for the charging stations is from solar power, so no greenhouse gases are produced in charging the cars. A gasoline powered, 25mpg vehicle would produce 4.3 metric tons of CO_2. Every metric ton of carbon dioxide emitted increases the magnitude of global climate change.

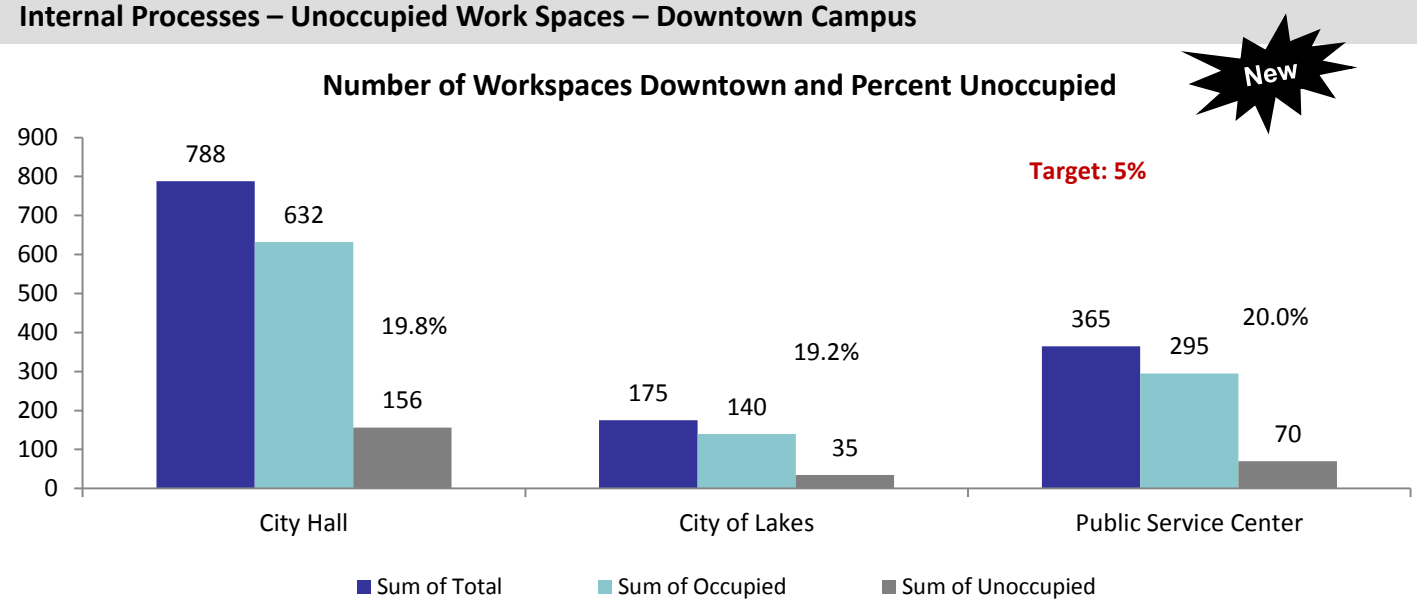
The Haaf Parking Ramp is mainly used by customers parking 8 to 10 hours each weekday. There currently is not a fee associated with charging a vehicle (the estimated cost is $2.00 per full charge). The goal is to have each of the three electric vehicle charging stations occupied at least once each day, 5 days a week. This equates to 720 charging sessions each year.

What will it take to achieve the targets?

In the first 270 calendar days since the charging stations were installed, there have been 255 charging sessions. Usage has increased over time. The first graph shows the number of charging sessions each month and the second graph illustrates that the number of days each month when two or more sessions occurred on a single day. As can be seen, we are 65 percent of the way to the 21 work days each month with three or more sessions. Without any more investment, the goal should be met by September of 2013.



Note: Goal is to have each of the three stations occupied at least once a day five days a week for a total of 21 days a month.



Note: There are 169 Vacant Budgeted Positions in the Downtown Campus. Subtracting those from the total results in a True Vacancy Rate that is 6.93% larger.

Why is this measure important?

Tracking available work spaces throughout the enterprise provides important data for strategic space planning activities. A true "vacancy rate" is the sum total of the available work spaces minus budgeted vacant (unfilled) positions for the representative departments utilizing the buildings being measured.

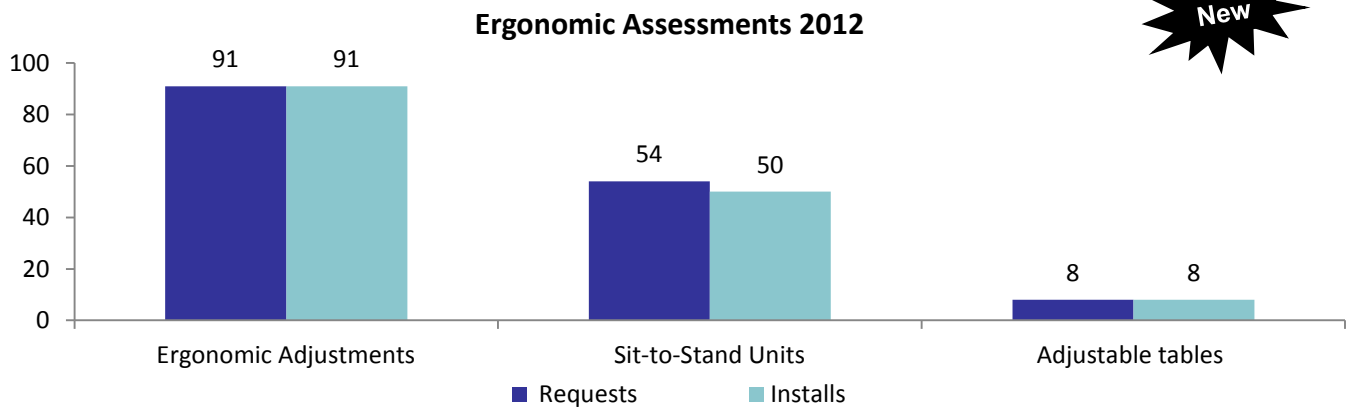
Property Services has established a target vacancy rate of five (5) percent for the downtown campus. This target allows for flexibility for planned and unplanned changes in on-site staffing for a given department. Vacancy rates above the target indicate opportunities for consolidation of space and reduced real estate costs (both capital and operating). Vacancy rates below the target can lead to not being able to be flexible and timely in meeting departmental needs or new initiatives (such as the new Office of Employment Equity).

Having a vacant suite/s of an appropriate size provides for "swing space" to accommodate remodeling of spaces, continuity of operations (COOP) for small scale building systems failures, or short term spaces needs (interns, IT projects, etc.)

Through a combination of reduced workforce and by investing in renovating spaces to a more standardized environment (open, flexible office plan) the City has been able to significantly reduce its leased space over the last ten years reducing operating costs by approximately $1.8 million per year.

What will it take to achieve the targets?

The current vacancy rate of 6.93 percent is slightly higher than the target goal for the city. The City will continue to update office space in City Hall in 2013 while revisiting the long term plan for the overall downtown campus.



Note: Eighteen brown bag sessions were offered and 122 people attended

Average Cost To Departments for:	
Ergonomic Adjustment	
Work Station Mod. (labor)	$164.00
PS staff time (including overheads)	$150.00
Total Avg. Cost	**$314.00**
Sit-to-Stand (purchased/installed)	
Purchase Price (including tax)	$657.72
Work Station Mod. (labor)	$264.68
PS staff time(including overheads)	$195.00
Total Avg. Cost	**$1,117.40**
Adjustable Table (purchased/installed)	
Purchase Price including tax	$1,121.00
Work Station Mod. (labor)	$354.00
PS staff time(including overheads)	$195.00
Total Avg. Cost	**$1,670.00**

Notes:
1) Cost of ergo consultant is paid for by Self Insurance Fund. IT costs are included in the Work Station Modification.
2) An Ergo Adjustment may require the purchase of additional parts and pieces (depending on excess inventor) that the department would need to pay if not part of a large scale Capital project.

Why is this measure important?

As the City's work environment became work computer intensive the City was experiencing a higher rate of repetitive injuries such as tendinitis, back and neck trauma and carpal tunnel syndrome. The City's current office furnishings have been selected to provide for ergonomic flexibility that has provided solutions to meet the majority of the workplace needs of the operating departments. Employees are physically measured in order to set work surface height and chair adjustments to provide for the baseline ergonomic setting. For some employees, furnishings need to be specifically designed to match a doctor's recommendation. Emphasis and investment has concentrated on the job classifications that have the most repetitive environments, those recovering from injury and providing for equity in renovated spaces.

Additional Narrative on Next Page…

Internal Processes – Ergonomic Assessments

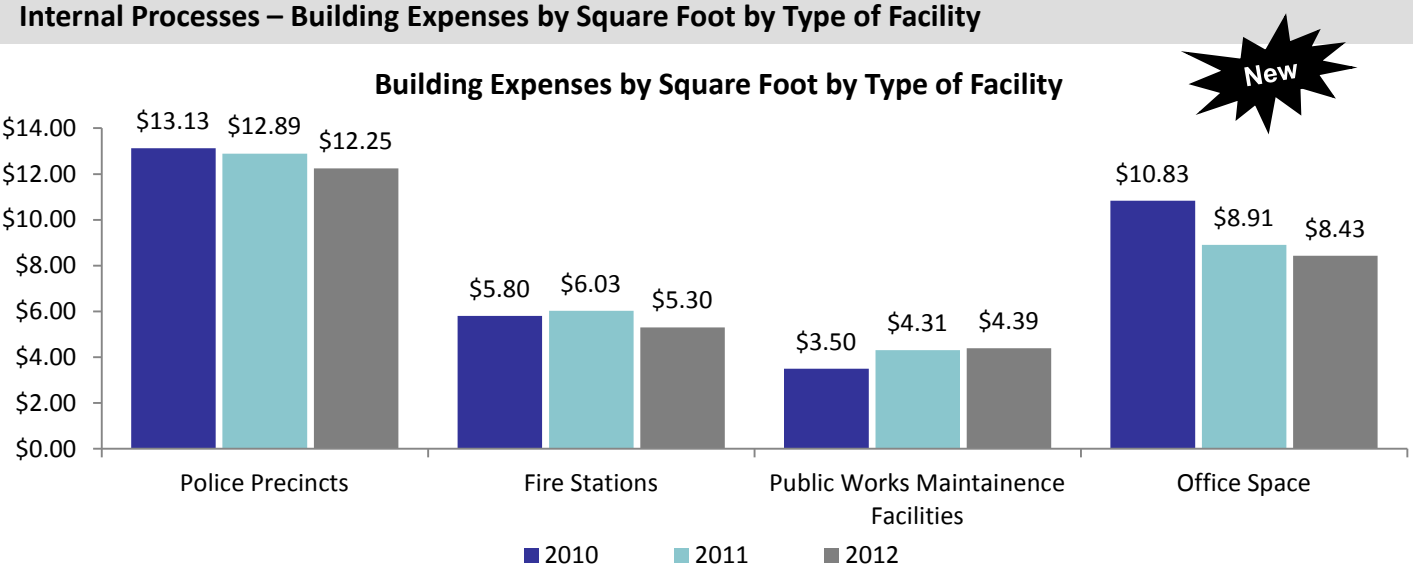
As the City workforce ages the City is challenged with providing options to help our employees improve their health while at work. Staff anticipates that a variety of ideas will be vetted and implemented as pilot projects in the coming years. The Wellness committee has made recommendation to include an option for a "sit-to-stand" key board and monitor applications as well as treadmill workstations. The current process requires that employees participate in an ergonomic "brown bag" education session prior to a "sit-to-stand" option being implemented.

This measure is intended to track requests, average costs, and eventual outcomes of the City's current ergonomic assessment process (for office workers) and is intended to provide baseline information for business process improvement and potential policy development for the future. Tracking these requests will also indicate whether the number of these requests are increasing over time.

The overall ergonomic goal would be to have appropriate ergonomic furnishings for all employees in office settings and that workspaces would be appropriately adjusted or modified prior to the employee (new employee or existing being relocated) prior to occupancy. The overall wellness goal would be to provide low or no cost options (including education) for the employees to improve their health in the work environment.

What will it take to make progress?

There is no target at this time. Property Services (once vacant positions are filled) will develop a more comprehensive tracking system to better assess where future investment should be targeted and to improve current business processes to be more pro-active. Property Services (and Risk Management) will work with the appropriate departments to determine how to best measure performance in this area.



Why is this measure important?

The graph indicates the average expenses for 36 buildings that have comprehensive facility services provided to the operating departments by Property Services. Property Services also tracks expenses for an additional 22 facilities (such as Animal Care and Control and Forensic Garage) that are unique in nature and can't be averaged in a meaningful way. Tracking building related expenses for City Hall, the Parking Facilities, Water Facilities and the Convention and Target Center are measured separately.

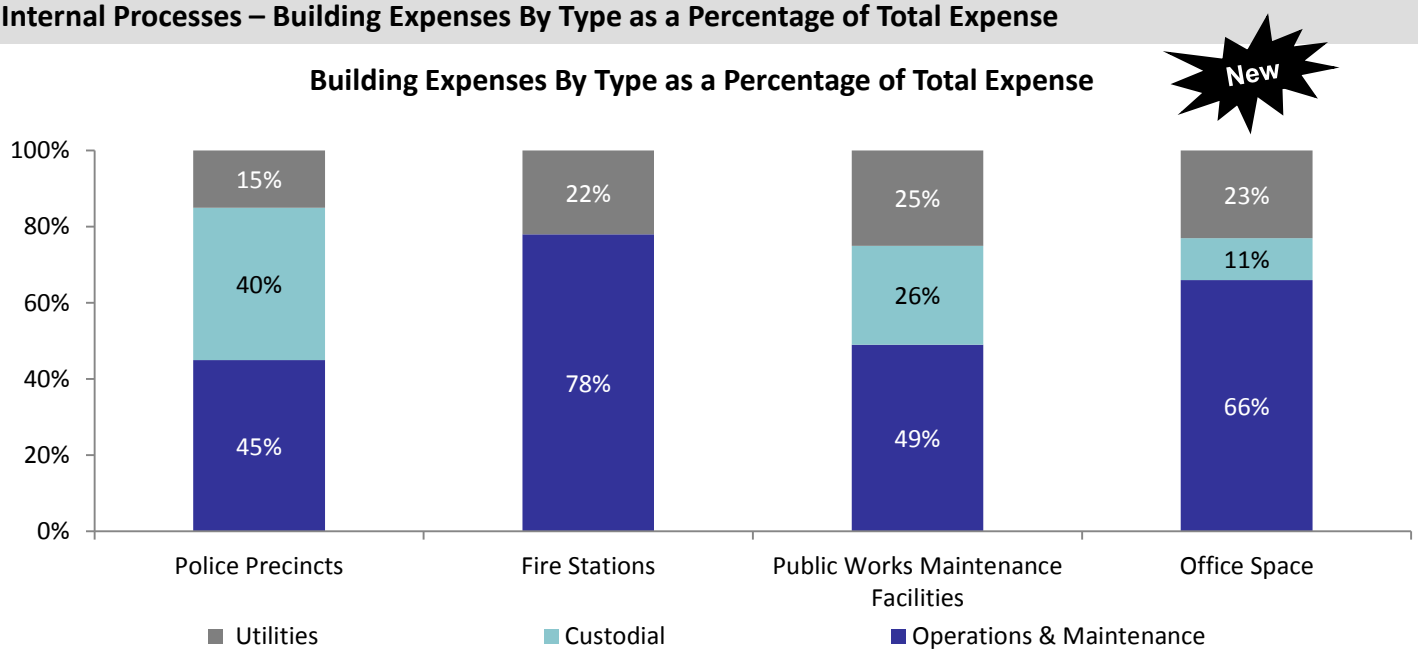
Tracking expenses by square foot by type of facility provides for a high level analysis of where opportunities for improvement and investment exist. Expenses are normalized by hours of operation, service levels, and age to determine where comparisons are appropriate and abnormalities exist.

All expenses shown are "fully burdened" and include all appropriate direct and indirect overheads

What will it take to make progress?

Property Services is in the process of establishing Service Level Agreements with operating departments. The process to date has identified areas where services can be decreased, eliminated or self-performed, gaps in service that needed to be added or increased and processes that could be improved to add value for the same or reduced costs.

Note: Expenses for 2012 are in fact lower than planned due to key vacancies within the Division. Property Services is in the process of filling the current vacant positions.



Note: The Fire Department self-performs custodial cleaning at the Fire Stations

Why is this measure important?

Tracking operating expenses provides valuable data for improving services to operating departments and is the foundation of information to implement asset management strategies and strategic capital planning . By tracking operating and maintenance, custodial and utility costs Property Services will be able to determine where opportunities exist for improvement to add value over time.

The overarching goal is to be a better service provider for the City. The specific goal is to improve our ability to capture and analyze our current costs of providing services and to find opportunities for improvement over time. Improvement plans can be implemented and performance tracked. Improvement goals will not be limited to cost reduction or avoidance, but will also address quality, timeliness, manage risk and be completed in an environmentally responsible manner.

What will it take to achieve targets?

Property Services is in the process of developing Service Level Agreements with all operating departments we serve. Goals will also be created as part of the Perform Minneapolis implementation. The City is also implementing an upgrade to the Maximo software application (computerized maintenance management system) that will provide for more detailed expense information (by individual asset or work order, etc.) for analysis and performance measurement and improvement.

New

Inspection Results of Quality and Completeness of Custodial Cleaning				
Inspection Results	**Cycle 1** 8/15/12 to 9/30/12	**Cycle 2** 10/01/12 to 11/15/12	**Cycle 3** 11/16/2012 to 12/30/2012	**Cycle 4** 1/1/2013 to 2/15/2013
Custodians at 2.0	0	0	0	0
Custodians at 2.0	7	0	4	2
Custodians at 3.0	6	13	9	9
Custodians at 4.0	1	1	1	3
Custodians at 5.0	0	0	0	0
Average Score	2.95	3.14	3.16	3.35

Notes:

1) In this time frame, the Custodial Crew consisted of: 1 Supervisor, 14 Dedicated Full Time Employees, 4 Part Time Replacement Workers
2) Inspection Ratings are as follows:

Level 5 Rating- Exceeds expectations on a consistent basis
Level 4 Rating- Meets expectations on a consistent basis
Level 3 Rating- Does not meet expectations in full or comprehensive basis
Level 2 Rating- Does not meet expectations on a consistent basis
Level 1 Rating- Failure to meet expectations

Why is this measure important? The regular inspections are conducted (every 6 weeks, in 34 buildings) to ensure that Property Services cleaning standards are being met (on an individual and team basis) and how the City's staff performs compared to industry standards. Formal inspections are a key element of an overall revamping of custodial services provided by Property Services in 2012/13. The overall objective is to become a certified cleaning service provider as defined by the Cleaning Industry Management Standards (CIMS) which requires proven proficiency (independent audit and certification) in forty -two areas of competency.

By completing regular inspections, operating departments know what level of service to expect and their issues are resolved in a more timely, pro-active and comprehensive manner. Formal Service Level Agreements are being finalized to ensure there are no gaps in service and to ensure the cleaning program meets the operational needs for different facilities. Formal inspections also identify opportunities for investment to improve overall facility performance with the goal of reducing costs while maintaining or improving quality. One example of this would be to upgrade matting and flooring systems that will trap more dirt and debris from coming into our facilities, and or are less costly to maintain.

As part of division's commitment to become a CIMS certified organization, Property Services has adopted a set of evaluation standards for our staff and their performance. Four rounds of inspections have been completed utilizing the new measurement process. Property Services staff is presently performing at a 3.35 out a possible highest score of 5. Our goal is to improve all staff and facilities to an overall score of 4 (out of 5) by March of 2014.

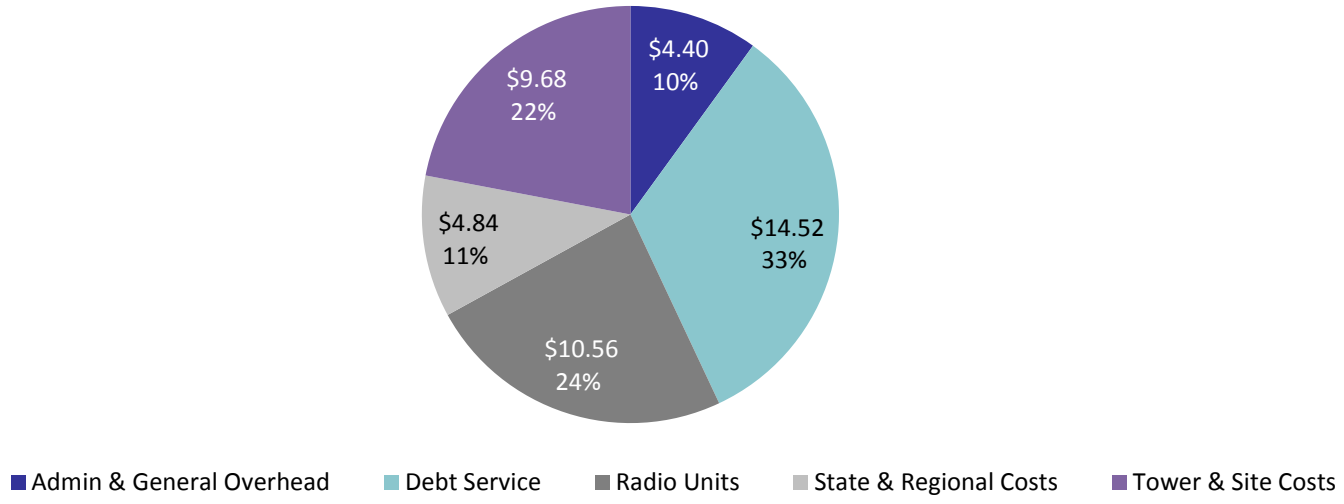
Additional Narrative on Next Page…

Note: Property Services provides custodial services in 34 City-owned and occupied facilities (totaling 320,000 square feet of cleanable space) utilizing dedicated City employees. Property Services also contracts for cleaning services for the Public Service Center (89,000 square feet of cleanable space). The Fire Stations are cleaned by Fire Department personnel. The MBC, MCC have their own dedicated cleaning staffs and the Parking Facilities are cleaned by private contractors (through the contract parking operator). Quality control for these facilities is not part of Property Services current responsibilities.

What will it take to achieve the targets?

The CIMS Certification process requires Property Services to develop 116 improved processes and procedures, of which 96 have been developed to date. Some require formal training for successful implementation. The Custodial Services Team has completed 13 formal training sessions and an additional 13 sessions are planned to be completed by the end of 2013. These training sessions focus on the technical aspects of the cleaning industry as well as skills related to customer service, and professional development. Property Services will continue to dedicate the necessary resources for an ongoing Training Program as well continue the process of remedial re-training in the field based on deficiencies discovered during our inspections. The Custodial Services Team is developing Equipment and Supply standardization in order to be as efficient and productive as possible.

Radio System Costs as a Portion of Monthly Individual Radio Unit Cost (2012)



Why is this measure important?

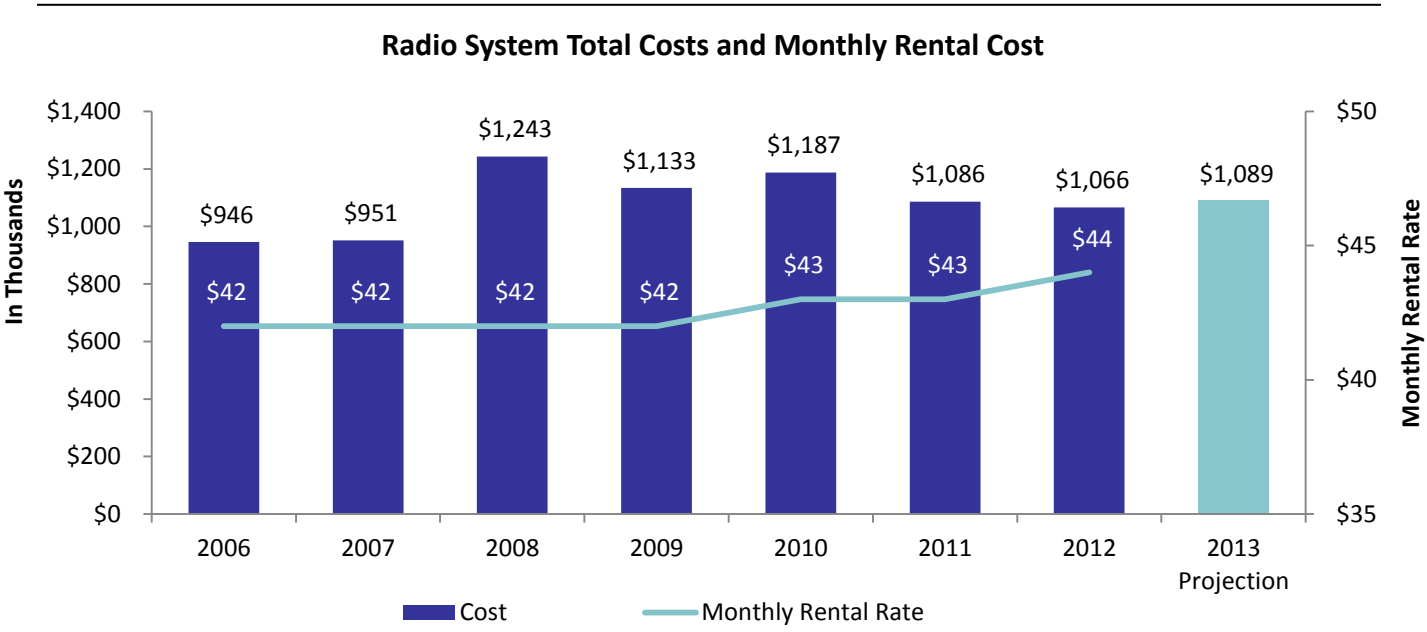
The City of Minneapolis owns, operates and maintains four tower sites and a dispatch center that are all tied into the statewide "ARMER" radio system. "ARMER" stands for "Allied Radio Matrix for Emergency Response." The City shares our sites with all other ARMER radio users in the state and our City radio users can use other owners sites while in their areas; this allows for the extra coverage needed in highly populated areas or extremely large counties to be useable by all emergency responders and other municipal, county and state radio users in all areas of the state. By state standard, all emergency responders have a list of common channels programmed into their radios to ensure that radio interoperability exists throughout the state.

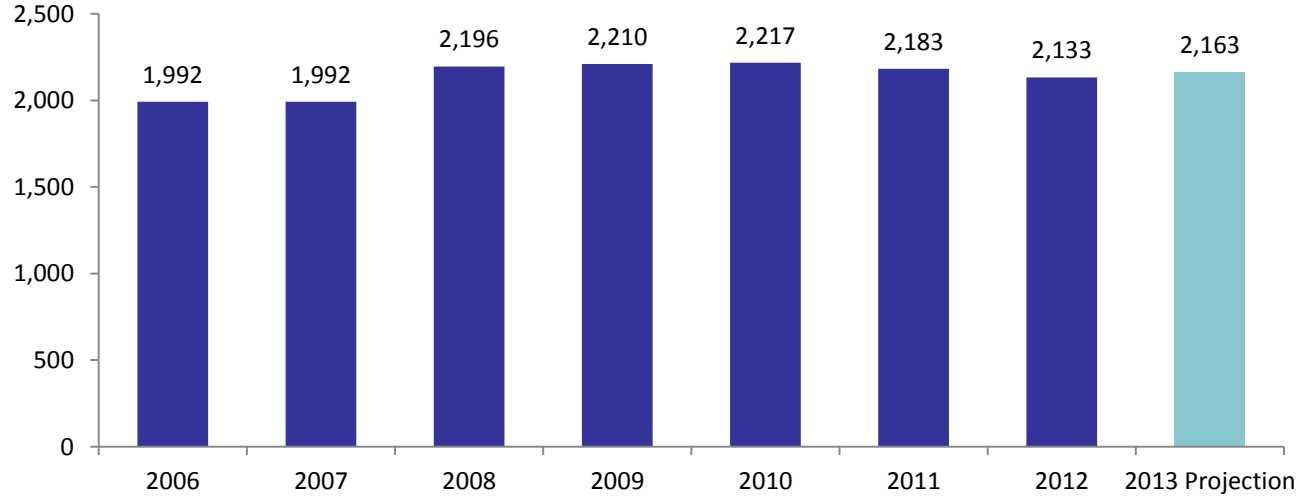
The performance measure is the cost associated with the repair of radio units as a part of the overall cost of the radio system. The radio system was purchased and installed in 2002, and has an intended life of 22 years on the tower infrastructure and 12 years on the individual radio units. The current repair costs include parts replacement and minor reprogramming as needed but does not include any costs for total radio unit replacement. Approximately 1,800 of the total number of radios have been in service since 2002 and are approaching the end of their projected life. It is anticipated that there will be an increase in the cost of repairs due to age of the equipment and in time the need for unit replacement due to obsolescence. In 2012, an estimated 40 percent of the radio units have obsolescent parts but they are in good condition and we have an adequate number of spares. The replacement cost of a radio unit in 2012 ranges from $2,000 to $7,000, depending upon type.

Additional Data on Next Page…

What will it take to achieve the targets?

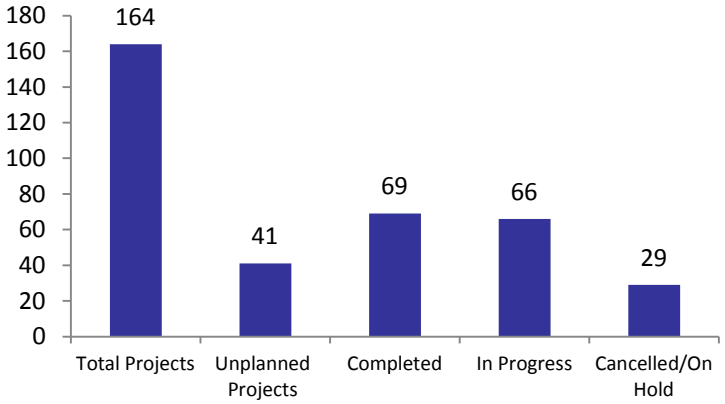
The overall goal is to cost effectively maintain the current system for its intended life while maintaining "interoperability" with our system partners. Potential ARMER radio system changes and upgrades to standards is another factor that may drive earlier replacement of radios and equipment, and would require significant capital investment. It is projected that by 2015 the City may need to replace approximately 100 radio units due to obsolescence (average replacement cost of $4,000) as well as upgrade the dispatch consoles in MECC at an estimated cost of $2 million in order to stay compatible. The City still carries $4.6 million of capital debt that is scheduled to be retired at the end of 2018. The current rate model charged to customers does not include a capital replacement component. Staff recommends the development of a long-term capital finance plan to manage obsolescence, potential upgrades in the ARMER system and the eventual replacement of the entire radio system. The plan will need to accommodate a potential of up to an estimated $2,400,000 of new funding for 2015. Property Services will continue to track the costs associated with repair and compare to replacement costs.



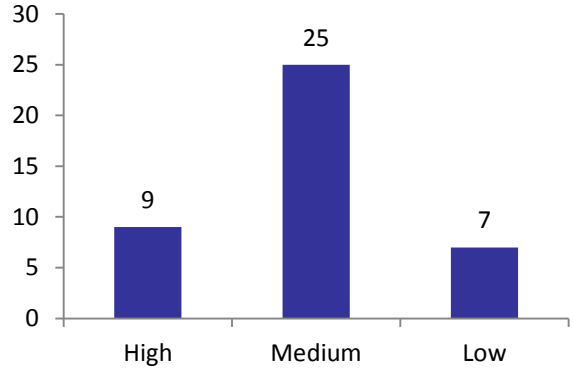


New

Unplanned Facility Design and Construction (2012)



Level of Difficulty of 2012 Unplanned Projects (49 Projects)



Why is this measure important?

Tracking of unscheduled projects is important in determining scheduling priorities, staffing requirements, and meeting customer expectations. Unscheduled projects come in a variety of complexity, cost and time constraints and are often not identified in budgeting or business planning processes. Additionally changes in leadership often bring new ideas and initiatives that require immediate attention.

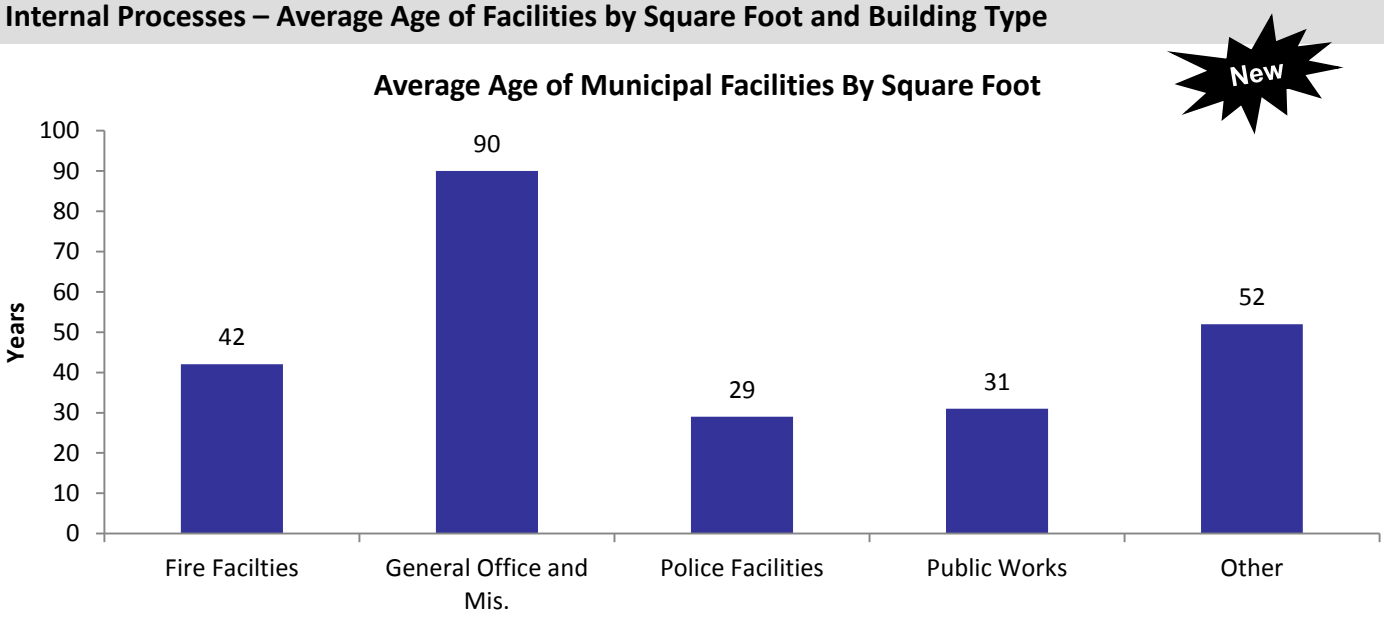
Property Services has the capacity and capabilities to manage a reasonable amount of unplanned projects in a given year. In general, the higher amount of unscheduled projects leads to a more reactive rather than proactive service delivery. Staffing capacity issues make for delays or cancellation of planned (and at times more important or strategic) work activities, staff being assigned to an unmanageable work load, or assigned to projects that they may not have the knowledge and experience to deliver properly.

In the Property Services' Radio Communications Electronics area, the projected staffing model for 2012 was estimated at 1.5 Full Time Employees (3330 hours) for Unplanned Project work. The level of Unplanned Projects was manageable in 2012.

What will it take to Improve?

Property Services will need to become more aware of the potential impact of future project initiatives with the operating departments served. A re-stated and stronger project initiation process will be required to better determine the business requirements.

Unplanned Projects			
Radio Communications & Electronics	**Number**	**Hours Spent**	**Hours Estimated**
Total Projects	659	2727	3330
Unplanned	631		
Completed	634		
In Process	25		
On Hold/Delayed Start	30		



Why is this measure important?

The average age of facilities (by square foot and by building type) can provide meaningful data (at a high level) for capital planning and operating budget trending. Older buildings tend to have a higher level of deferred capital maintenance, higher operating costs, and may not meet the needs of the operating departments. Emphasis should be given to older facilities to assess their viability to meet the long term needs of the City and to look for opportunities in invest in them to reduce operating, maintenance and utility expenditures.

The City has traditionally had a strong preventive maintenance approach that has (with few exceptions) maximized the life of the building/s and the key building systems within. But as the age of the buildings and building systems meet or exceed their intended life the City will be exposed to a higher likelihood of the building no longer meeting the departments operational needs, higher potential for service interruptions and higher operating and maintenance costs.

What will it take to achieve the targets?

There is currently no target or industry standard to follow. Best practices for capital and facilities planning recommend a comprehensive auditing process to determine deferred capital needs, implement an "asset management strategy" to provide for proper planning and decision making and align those concepts with strategic plans for the operating departments and the City as and enterprise.

Total Estimated Capital Burden				
Facility Type	**Quantity**	**Total Square Feet**	**Replacement Cost**	**Recommended Level of Spending**
Police Facilities	7	119,109	$28,211,670	$769,957
Fire Facilities	22	315,306	$70,459,050	$3,109,858
Public Works Facilities	22	566,291	$114,811,465	$3,626,875
General Office and Misc.	7	462,174	$54,719,440	$2,979,566
Total	**58**	**1,462,880**	**$268,201,625**	**$10,486,256**

Why is this measure important?

The supported facilities are a key component to the City's infrastructure that supports municipal operations on a daily basis. A properly funded and effective ongoing capital maintenance program ensures that the City's public services can be performed without interruption and that the buildings provide for a safe and healthy work place for the employees and visitors as well as being efficient and cost effective to operate and maintain. The capital funding for the 58 buildings summarized in this measure are supported by property taxes. A lack of adequate ongoing capital investment or deferred capital maintenance results in an increased need for major facility rehabilitation or replacement, and operations that are reactive and corrective rather than preventative. Consequently, the continuation of inadequate funding increases the risk of disruption to public services due to facility shut downs and unplanned repairs.

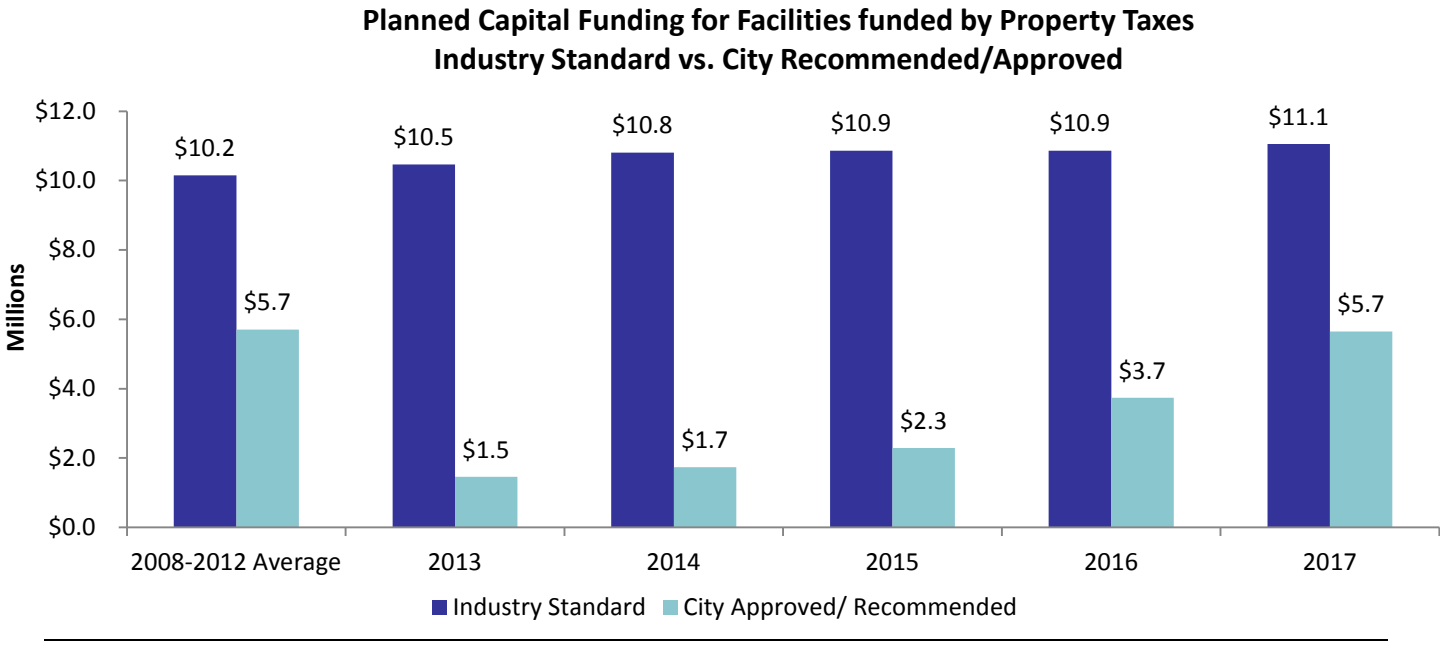
NOTE: The summary information does not include the capital burden for the City owned Parking facilities, Water Works facilities, or the Convention and Target Centers. These operations are supported by other revenue sources than property taxes.

What will it take to achieve the targets?

The current level of capital spending will increase operations and maintenance costs and will increase risk of service disruption, over time. Property Services (when Vacant positions are filled) will complete a comprehensive Facility Assessment and develop an Asset Management Plan to guide the future capital decision making process.

Facility Description	Facility Address	Total Square Feet	Replacement Cost	Recommended Level of Spending
Police				
Police Precinct No. 1	19 4th Street N	15,596	$3,743,040	$74,861
Police Precinct No. 2	945 19th Ave NE	13,868	$3,328,320	$199,699
Police Precinct No. 3	3000 Minnehaha Ave S	34,641	$8,313,840	$83,138
Police Precinct No. 4 (+Firing Range)	1925 Plymouth Ave N	28,543	$6,850,320	$274,013
Police Precinct No. 5	3101 Nicollet Ave S	21,000	$5,040,000	$100,800
Police Canine Kennel	15 37th Ave NE	2,340	$468,000	$18,720
Forensic Garage	49 Colfax Ave N	3,121	$468,150	$18,726
		119,109	$28,211,670	$769,957
Fire				
Fire Station No. 1	530 3rd Street S	12,264	$2,759,400	$165,564
Fire Station No. 2	143 13th Ave NE	10,212	$2,297,700	$137,862
Fire Station No. 4	1101 6th Street N	13,861	$3,118,725	$187,124
Fire Station No. 5	2700 Bloomington Ave S	9,845	$2,215,125	$132,908
Fire Station No. 6	121 15th Street E	29,608	$6,661,800	$266,472
Fire Station No. 7	2000 Franklin Ave E	14,444	$3,249,900	$194,994
Fire Station No. 8	2749 Blaisdell Ave S	12,544	$2,822,400	$169,344
Fire Station No. 11	229 6th Street SE	16,692	$3,755,700	$225,342
Fire Station No. 12	5401 33rd Ave S	12,589	$2,832,525	$113,301
Fire Station No. 14	2002 Lowry Avenue North	14,301	$3,217,725	$32,177
Fire Station No. 15	2701 Johnson Street NE	11,645	$2,620,125	$157,208
Fire Station No. 16	1600 Glenwood Ave	10,937	$2,460,825	$147,650
Fire Station No. 17	330 38th Street E	12,690	$2,855,250	$114,210
Fire Station No. 19	200 Ontario Street SE	12,589	$2,832,525	$113,301
Fire Station No. 20	4646 Humboldt Ave N	10,431	$2,346,975	$140,819
Fire Station No. 21	3209 38th Street E	15,588	$3,507,300	$210,438
Fire Station No. 22	3025 Market Plaza	15,250	$3,431,250	$137,250
Emergency Operations Training Facility	25 37th Ave NE	33,980	$8,155,200	$81,552
Fire Training Facility (Tower)	25 37th Ave NE	6,036	$603,600	$24,144
Fire Training Facility (Confined Space)	25 37th Ave NE	3,200	$480,000	$28,800
Fire Station No. 27	5410 Nicollet Ave S	18,300	$4,117,500	$164,700
Fire Station No. 28	2810 50th Street W	18,300	$4,117,500	$164,700
		315,306	$70,459,050	$3,109,858
PW Service Nodes				
Currie Maintenance Facility	1200 Currie Ave N	181,808	$39,997,760	$799,955
Royalston Maintenence Facility	661 5th Ave N	69,659	$15,324,980	$306,500
Traffic Maintenance	300 Border Ave N	65,336	$9,800,400	$588,024
NE Equipment & Street Garage	1809 Washington Street NE	19,771	$3,954,200	$237,252
Impound Lot	51 Colfax Ave N	3,344	$802,560	$32,102
Northside Equipment	2710 Pacific Street N	26,341	$5,268,200	$316,092
Recovery Building	2712 Pacific Ave N	960	$120,000	$4,800
North Transfer	2716 Pacific Street N	8,895	$889,500	$53,370
Aldrich/Street Maint. & Paving Repair	198 Aldrich Ave N	24,048	$4,809,600	$48,096
Police Recovery Warehouse	6024 Harriet Ave S	28,800	$5,760,000	$345,600
South Transfer	2852 20th Ave S	35,615	$6,232,625	$373,958
Tin Building	2850 20th Ave S	6,120	$1,071,000	$42,840
Hiawatha Maintenance Facility	1901 26th Street E	60,296	$14,471,040	$144,710
Central Stores	1858 27th Street E	20,298	$4,059,600	$243,576
Olsen Building/Property	140 12th Street North	15,000	$2,250,000	$90,000
		566,291	$114,811,465	$3,626,875
General Office and Misc.				
City Hall	350 South 5th Street	245,000	$98,000,000	$1,960,000
Public Service Center	250 4th Street S	118,402	$28,416,480	$1,704,989
City Of Lakes Bldg.	309 2nd Ave S	57,528	$13,806,720	$828,403
Police Community Services	217 3rd Street S	18,696	$4,487,040	$269,222
Municipal Market	312 Lakeside Ave N	-	$2,000,000	$40,000
Animal Control Facility	2nd Avenue North	21,500	$5,590,000	$111,800
Pioneers & Soldiers Memorial Cemetery	2945 Cedar Ave S	1,048	$419,200	$25,152
		462,174	$54,719,440	$2,979,566

Note: Replacement Cost Reflects Facility Replacement Only



Why is this measure important?

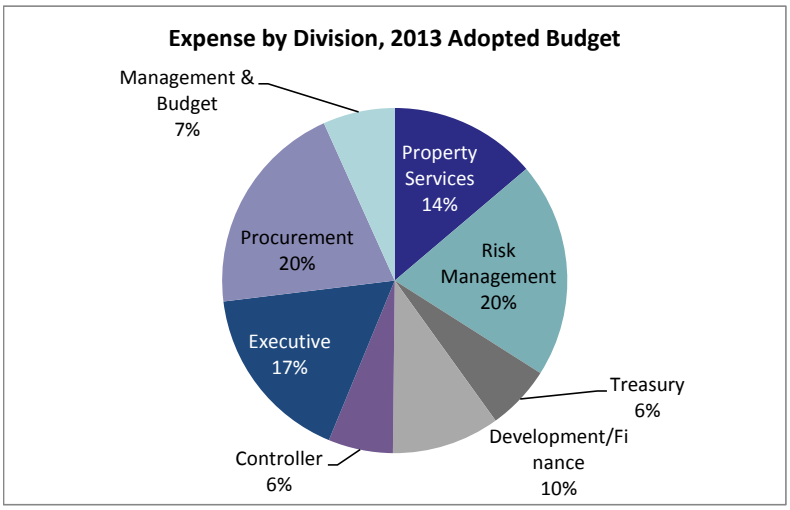
Finance & Property Services staff maintain 58 City-owned and operated facilities, which includes police precincts, fire stations as well as public works, general office and miscellaneous facilities that are funded by property taxes. (Community Planning and Economic Development properties, parking ramps, water works facilities, City Hall, Convention Center and Target Center are not included in the total above.) This measure compares the level of capital funding for repair and maintenance of City-owned facilities to the industry standard. The measure compares the average spent (actuals) for 2008-to-2012 and recommended (requested) funding for years 2013-to-2017. Industry standards for public facilities recommend an annual investment of one-to-six percent of the current replacement value, depending on the age of the facility and previous maintenance and capital investments, in order to preserve and enhance the functional and economic value of the facility.

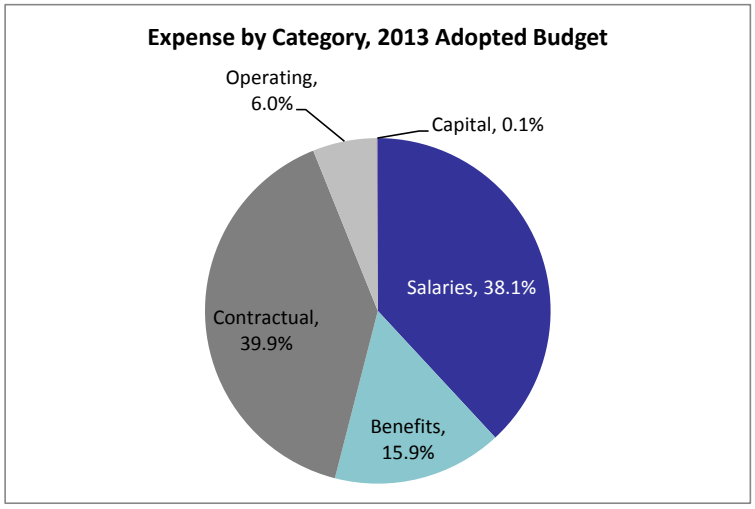
What will it take to achieve the targets?

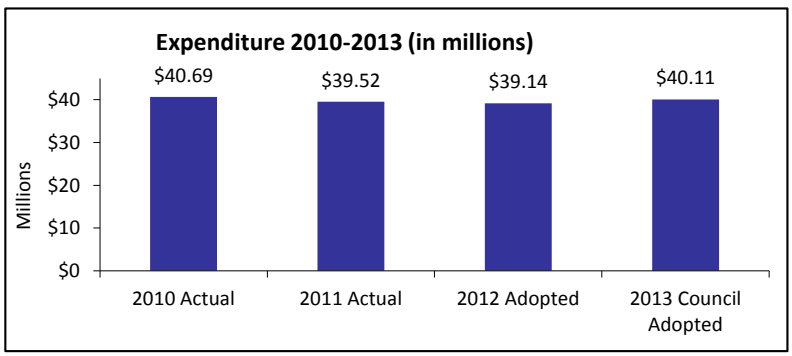
The City's capital spending level for facilities repair and maintenance has been below industry standard for several years. In recent years, approved capital funding for repair and maintenance has only been manageable because of facility replacement projects (Hiawatha Maintenance Facility, Emergency Operations and Training Facility). Capital funding below industry standard is projected to continue into the future, resulting in a continual decline to the overall condition of City facilities, increased operations and maintenance costs, and increased risk of service disruption. Finance & Property Services will complete a comprehensive facility assessment and develop an asset management plan to guide future capital program decision-making.

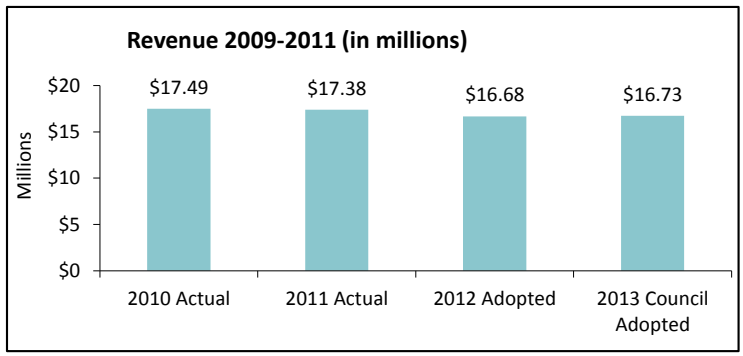
3/1/2013

Management Dashboard: Finance & Property Services









Loss Prevention Data					
Year	2008	2009	2010	2011	2012
Workers Comp	$34,670	$2,481	$4,650	$289	$96,101
Liability Claims	$0	$0	$13,112	$0	$0

Average Sick Days Taken per Employee						
Year	2007	2008	2009	2010	2011*	2012*
Days	7	7.2	8.5	8	7.5	8.2

**Note: Now includes Property Services*

Workforce Demographics			
Year end	12/31/2003	12/31/2012	City Avg.
% Female	63%	51%	31%
% Employee of Color	30%	26%	24%
# of Employees	166	215	215

Overtime Costs						
Year	2007	2008	2009	2010	2011	2012
Hours	4,182	5,431	1,508	421	116	3,951
Cost	148,717	198,642	57,619	17,820	45,258	155,735

Employee Turnover and Savings						
Year end	2007	2008	2009	2010	2011	2012
Turnover	11.3%	5.9%	11.7%	7.0%	8.8%	10.3%

Positions Vacancies						
Year end	2007	2008	2009	2010	2011	2012
% of Total	10%	5%	1%	3%	6%	9%

Performance Reviews Past Due in HRIS		
As of	02/28/13	67%

Employees Eligible to Retire											
Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Number	23	7	8	5	3	10	11	8	10	9	10

Notes:

Average Sick Days taken per Employee

Notes:

A) Above data is based on the payroll calendar year not the calendar year.
B) Does ***not*** include employees who have separated from the ***department*** and may have used sick leave during the payroll year.
B*) Does ***not*** include employees who were in a suspended ("S") Pay Status at the end of a given payroll year.
B**) ***Includes*** employees who are in a paid ("P") Leave of Absence status and an unpaid Leave of Absence status ("L").
C) Employees can use more sick leave than earned in a given year (Assuming that they have accrued leave that has carried over).
D) Work Days Lost = Hours Used/Eight (8)
E) Usage Rate = Hours Used/Hours Earned
F) Overstated as it assumes everyone is FT and worked the entire year.
G) 2009 data does not include any employees who may have been placed in the Job Bank in November/December. 2009 had 27 pay periods
H) A large portion of the employees that use to comprise Public Works - Property Services became part of Finance in 2011.

Overtime Costs

A) OT amount - Fiscol. Reconciled with CRS and Data ware house queries.
B) Hours - based on HRIS management reports with payroll data

Workforce Demographics

A) Includes employee counts at year's end for 2003 and 2007.
B) Only includes active FT regular employees.

Workforce Analysis Detail

2 of 8 categories indicate under-utilization:
Official and Admin. 9 incumbents Female = 33.3% Avail. = 40.6%
Technician 1 incumbent POC = 0.0% Avail. = 58.3%

Employee Turnover and Savings

A) Turnover Savings= $Budgeted (personnel) - $Actual (personnel)

Position Vacancies

A) Includes only budgeted positions.

Retirement Projections

A) The projected time an employee is eligible to retire is based on service time in HRIS. For employees who received pension service credit in other organizations, the actual year of retirement eligibility may be sooner than the projections show.